

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF       )  
DELMARVA POWER & LIGHT COMPANY       )  
FOR APPROVAL OF MODIFICATIONS       )       PSC DOCKET NO. 08-266F  
TO ITS GAS COST RATES       )  
(FILED AUGUST 29, 2008)       )

**ORDER NO. 7444**

**AND NOW**, to-wit, this 16<sup>th</sup> day of September, 2008, Delmarva Power & Light Company ("DP&L" or "the Company"), having, on August 29, 2008, filed with the Commission the above-captioned application seeking approval to modify its Gas Cost Rates ("GCR") and revise the volumetrically applied GCR factors applicable to Service Classifications RG, GG, GL, and non-electing MVG, effective on November 1, 2008, with proration;

**AND**, the Commission having determined, pursuant to 26 Del. C. §§ 304 and 306, that the proposed GCR and other requested modifications to the Company's tariffs should be permitted to become effective, but subject to refund, for usage on and after November 1, 2008, with proration pending further review and a final decision by the Commission; now, therefore,

**IT IS ORDERED:**

1. That pursuant to 26 Del. C. §§ 304 and 306, the proposed changes to Gas Cost Service rates, and the accompanying proposed tariff revision set forth in the application filed by Delmarva Power & Light Company on August 29, 2008, are allowed to go into effect for natural gas usage on or after November 1, 2008, with proration,

pending a final decision of the Commission. Such rates shall be subject to refund depending upon such final decision.

2. That Mark Lawrence is designated as the Hearing Examiner for this docket pursuant to 26 Del. C. § 502 and 29 Del. C. ch. 101. Hearing Examiner Lawrence shall schedule and conduct such public evidentiary hearings as may be necessary or appropriate to develop a full and complete record concerning this matter. Hearing Examiner Lawrence shall thereafter report to the Commission his proposed findings and recommendations based on the evidence presented. Pursuant to Rule 21 of the Rules of Practice and Procedure, Hearing Examiner Lawrence is delegated the authority to grant or deny petitions to intervene. In addition, Hearing Examiner Lawrence is delegated the authority under 26 Del. C. § 102A to determine the content, form, and manner of any further notice in this matter. James McC. Geddes, Esquire, is designated Rate Counsel for this matter.

3. That Delmarva Power & Light Company shall give public notice of the filing of this application with the proposed rate changes and this action by the Commission, by publishing notice in the form attached hereto as Exhibit "A" in two-column format, outlined in black, in the legal classified section of The News Journal newspaper on September 23 and 24, 2008. Delmarva Power & Light Company shall submit proof of such publication as soon as possible, but no later than the commencement of the evidentiary hearings concerning this matter.

4. That Delmarva Power & Light Company is hereby put on notice that it will be charged the costs incurred in connection with this proceeding under the provisions of 26 Del. C. § 114(b)(1).

5. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae  
Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary

**E X H I B I T "A"**

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**P U B L I C   N O T I C E**

**TO:   ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER &  
      LIGHT COMPANY AND OTHER INTERESTED PERSONS**

A Hearing Examiner of the Delaware Public Service Commission will conduct a public comment hearing concerning the above-captioned matter (as further explained below) at the following time and location:

<u>TIME</u>	<u>DATE</u>	<u>EVENT</u>	<u>LOCATION</u>
7:00 PM	Wednesday, Oct. 29, 2008	Public Comment Hearing	Auditorium, Carvel State Office Bldg., 820 N. French Street Wilmington, Delaware

**DP&L's Gas Cost Rate Case, PSC Docket No. 08-266F**

Pursuant to 26 Del. C. §§ 304 and 306, Delmarva Power & Light Company ("DP&L" or "the Company"), has filed an application with the Public Service Commission ("the Commission") seeking to change its Gas Cost Rates ("GCR") in the following manner:

<u>Rate Schedules</u>	<u>Present</u>		<u>Proposed</u>	
	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>
RG, GG and GL	N/A	96.517¢/ccf	N/A	117.560¢/ccf
Non-electing MVG	\$10.20/Mcf of	\$8.2710/Mcf	\$8.5538/Mcf of	\$10.5303/Mcf
	Billing MDQ		Billing MDQ	
Electing MVG and	\$10.2/MCf of	Varies	\$8.5538/Mcf of	Varies
LVG	Billing MDQ		Billing MDQ	
Standby Service	\$10.2/Mcf of	N/A	\$8.5538/Mcf of	NA
	Standby MDQ		Standby MDQ	

The effect on a residential space heating customer using 120 ccf in a winter month would be an increase of \$25.25, or 14.8%, in their total bill.

In addition, the Application requests approval of the Company's proposal to reconcile and true-up actual versus estimated Weighted Average Commodity Cost of Gas ("WACCOG") assignments for sales under the Large Volume Gas service and for so-called "electing" customers taking service under the Medium Volume Gas service and for sales made under the Flexibly Priced Sales Service ("FPS").

The Commission has permitted the proposed Gas Cost Rates and other rate related modifications to become effective as of November 1, 2008, subject to refund after evidentiary hearings and further proceedings. The Commission's action on this Application will be based upon the evidence presented at evidentiary hearings that will be scheduled at a later date.

Any person or group wishing to participate formally as a party in this docket (PSC Docket No. 08-266F), with the right to submit evidence and to be represented by counsel must, in accordance with

Rule 21 of the Commission's Rules of Practice and Procedure, petition the Commission for and be granted leave to intervene in the proceedings in this docket. To be timely, all such petitions must be filed with the Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904 on or before October 24, 2008 (Attn: PSC Dckt. No. 08-266F). Petitions received thereafter will not be considered except for good cause shown.

Copies of the application, and the testimony and schedules DP&L has filed to support its proposals, are available for public inspection during normal business hours at the Commission's Dover office at the address set out above. The materials can also be reviewed, by appointment, at the offices of the Division of the Public Advocate, Fourth Floor, Carvel State Office Building, 820 North French Street, Wilmington, Delaware. Please call (302) 577-5077 for an appointment to review the materials.

Any individual with a disability who wishes to participate in these proceedings or to review the filings should contact the Commission to discuss any aids or services that might be needed. The Commission Staff can also provide more information about this matter. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission can also be reached at (302) 736-7500 (including text telephone communications). Inquiries can also be sent to the Commission by Internet e-mail addressed to "courtney.stewart@state.de.us."